

St. Aloisius Medical Center

Policy: Charges and Price Transparency

Effective: February 1, 2015

St. Aloisius Medical Center (SAMC) complies with the various rules and regulations prescribed by third party payers (Medicare, Medicaid, Blue Cross, etc.) regarding charging for services. In this policy, "Charges" refer to the amount billed to all patients for the same services. "Prices" refer to the amounts paid by patients and third party payers for those services. Due to contractual obligations and individual situations, the prices paid are most often less than the amounts charged.

Charging transparency is important so that patients can determine what amounts are charged for the services delivered. Staff is available to provide estimates of charges for services so that patients can understand their financial obligation. Patients can contact the SAMC Revenue Cycle Manager by phone at 701-324-5104 for charging and pricing assistance.

It is the overall policy of SAMC to provide quality services to patients at the most reasonable cost. Our charges to patients are maintained at competitive levels and managed by considering the types of reimbursement formulas we are faced with, our need for working capital and our short and long range plans concerning equipment, building, capital, etc. It is our intent to develop and maintain a management reporting system that will report on the relationship of total cost, including direct and indirect expenses to all income centers. Furthermore, all charges to patients will be maintained at levels which are competitive with our region of the country.

Charges will be adjusted periodically, with the overall goal in mind to:

Be proactive regarding reimbursement policies and contracts with major payers.

With payment by diagnosis, risk sharing, and capitation covering a higher percent of our patients, each income center can be thought of as an expense center. Although unit charging in each department is done for an appropriately weighted contribution to cost, an increased emphasis is placed on the appropriate amount of services for each patient to ensure quality care. It is the responsibility of each team to understand these charging implications in order to ensure quality of care at a reasonable cost. At the same time, we must keep our charges adequate to cover our costs in order to administer fair charge setting. When adjustments in charges are necessary to meet competition or to optimally improve market share, the Chief Financial Officer and appropriate Department Manager will model these charges and costs in order to determine the measurement of resources utilized for each patient and diagnosis.

Evaluations of charging will be conducted on an ongoing basis to ensure that the services rendered are economical for both the patient and St. Aloisius Medical Center.